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# **The Disaster Assistance Act of 1988**

**Agriculture  
and Trade  
Analysis  
Division**

## **A Description of the Provisions**

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### ABSTRACT

On August 11, President Reagan signed The Disaster Assistance Act of 1988 (P.L. 100-387). The law provides aid to livestock, dairy, and crop producers who suffered losses due to natural disaster. This report describes the law, explaining the assistance available to different kinds of producers.

**Keywords:** Natural disaster, livestock assistance, crop assistance, payment limitation, crop insurance, program commodity, nonprogram commodity, emergency loans, drought

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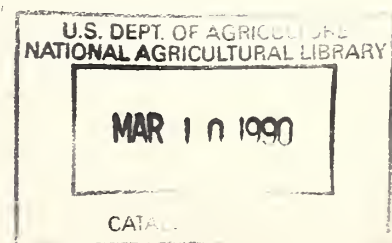
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## SUMMARY

The Disaster Assistance Act of 1988 provides disaster benefits for producers who suffered losses in 1988 due to drought, hail, excessive moisture, or related conditions.

### Assistance to Livestock Producers

The law establishes a new program, effective 15 days after enactment, to replace the current Emergency Feed Program and Emergency Feed Assistance Program and authorizes other forms of livestock assistance, such as feed donations and transportation assistance.

Livestock eligible for such assistance include cattle, sheep, goats, swine, poultry (including eggs), horses and mules used for food or food production, fish for food, and other animals designated by the U.S. Department of Agriculture (USDA), that are part of a foundation herd or offspring or are purchased as a part of normal operations.

USDA is directed to implement a limited emergency forage program for established pasture damaged by drought with USDA paying half the cost of seeding and fertilizing of certain forage crops on the land to facilitate late fall 1988 or early spring 1989 grazing and haying. This particular program would be strictly limited to maximum expenditures of no more than \$50 million. No individual producer may receive more than \$3,500.

### Assistance to Crop Producers

Producers of annual commercial crops who lost at least 35 percent of their 1988 crop due to drought or other natural disaster will receive disaster payments.

Payment rates differ depending on the commodity, the amount of crop loss, and whether producers participated in the 1988 Federal commodity programs. The disaster payment for wheat, feed grains, cotton, and rice program participants who lost 35 to 75 percent of their crop will equal 65 percent of the 1988 target price. Nonparticipants who raise program crops will receive 65 percent of the county loan rate. Participating crop producers with losses in excess of 75 percent will receive 90 percent of the target price. Similarly, nonparticipating program crop producers will receive 90 percent of the county loan rate.

The payment for producers who lost 35 to 75 percent of their peanut, sugar beet, sugarcane, and tobacco crops will be 65 percent of the 1988 price support level.

Producers who lost 35 to 75 percent of soybean and other nonprogram crops will be 65 percent of the average producer market price of the last 5 years.

For losses over 75 percent, the payment rate is 90 percent of the applicable level.

Producers must obtain multiperil crop insurance (if it is available) for the 1989 crop of the commodity for which they are seeking disaster payments or forgiveness of advanced deficiency payments if their losses exceed 65 percent. This requirement does not apply if the premium would exceed 25 percent of the benefits received under the disaster program or if the insurance premium increased more than 25 percent between 1988 and 1989.

USDA may establish a "de minimis yield" for each crop eligible for disaster payments. The de minimis yield is the level of damage that makes harvesting the crop unprofitable. Any actual yield that is equal to or below this minimum yield will be declared a zero yield and will receive maximum benefits. USDA must establish a minimum yield for each crop in order to reduce farmer incentives to abandon crops to receive larger disaster payments.

#### **Advance Deficiency Payments**

On production losses up to 35 percent, advance deficiency payments for 1988 wheat, feed grains, upland cotton, and rice are not required to be refunded. At the discretion of the Secretary of Agriculture, producers losing 35 percent or more of their crop and receiving disaster payments would not have to repay the advanced deficiency payments until July 31, 1989.

#### **Payment Limitations**

Livestock producers cannot receive more than \$50,000 in Federal feed assistance benefits. Those with gross revenues over \$2.5 million annually are not eligible for disaster assistance.

Disaster payments for crops are limited to \$100,000 per person. Any person with gross revenues over \$2 million annually is not eligible for crop payments.

Combined benefits from livestock and crop payments cannot exceed \$100,000.

Combined crop insurance benefits and disaster payments cannot exceed income that would result from normal crop yields.

#### **Tobacco Quota**

USDA must adjust a burley tobacco producer's marketing quota for 1989 by up to 125 percent of the producer's basic quota.

#### **Farmers Home Administration Loans**

USDA is authorized to provide emergency loans for producers whose crops were affected by disaster in 1988 whether or not the producer had previously purchased Federal crop insurance.



Farmers Home Administration (FmHA) loan guarantees are extended to producers who have borrowed from the Farm Credit System or other commercial lenders and cannot repay all or part of their 1988 operating loans or regularly scheduled 1988 or 1989 installments on farm ownership, farm equipment, or farm structures loans.

USDA is directed to take steps to assist businesses affected by the drought by making loans available for 1989 operations.

USDA is encouraged to exercise forbearance on the collection of loan proceeds, restructuring credit, and encouraging commercial lenders and FmHA to exercise forbearance before declaring loans in default.

### **Dairy Price Support**

The dairy price support will not drop the expected 50 cents per hundredweight on January 1, 1989. The support rate will increase 50 cents per hundredweight from April 1 to June 30, 1989.

### **Commodity Stock Adjustment**

Producers are permitted to plant soybeans and sunflowers on not less than 10 percent nor more than 25 percent of their wheat, feed grain, upland cotton, or rice program acreage in 1989 without affecting their base acreage eligible for Federal assistance. This program may be extended through 1990 at the discretion of USDA.

Producers are permitted to plant any portion of their farm acreage base to oats in 1989 and 1990 if the feed grain acreage reduction program requirement is 12.5 percent or less of the crop acreage base. These additional plantings of oats will not alter any existing crop acreage base.

For 1988 only, once the release price for farmer-owned reserve loans is reached, producers may repay loans without penalty even if prices later fall below the release price.

### **Water Assistance**

The Department of the Interior may sell available supplies of water to farmers and other users in 17 States to help alleviate drought damage.

An emergency loan program is established in the Department of the Interior to provide funds for management, conservation, acquisition, and transportation of water. The program also provides assistance for increased pumping costs resulting from the drought.

A maximum of \$25 million may be spent for the loan program and emergency actions by the Department of the Interior.

## **Rural Business**

USDA must establish a new program to guarantee loans to rural businesses and organizations to assist them in dealing with drought-caused losses. Such guarantees could not exceed a total of \$200 million. No individual may receive a loan for more than \$500,000.

USDA will conduct a survey of agribusinesses affected by the drought.

## **Conservation and Wildlife Enhancement**

To encourage conservation and wildlife enhancement practices on Conservation Reserve Program lands, USDA will refund 25 percent of a producer's rental payments withheld on lands hayed if the producer shares (50/50) the cost of carrying out such practices.

## **Migrant and Seasonal Farmworkers**

The law provides that food stamp benefits to migrant and seasonal farmworkers in the job stream will not be reduced because of emergency assistance benefits.

Migrant and seasonal farmworkers are allowed a 30-day grace period to submit documentation for food stamp recertification without loss of benefits.

Five million dollars is transferred from the disaster relief program of the Federal Emergency Management Agency to fund farmworker programs under the Job Training Partnership Act.

## **Assistance to Ethanol Producers**

USDA is permitted to sell corn held by the Commodity Credit Corporation as feedstock for ethanol producers at reduced prices. The maximum amount of corn available for sale is limited to 12 million bushels per month. Sales are restricted to ethanol producers who use 30 million bushels of corn per year or less.

## **Forestry Provisions**

USDA must pay 65 percent of the costs of replanting tree seedlings that produce an annual crop or are grown for commercial harvest. The benefits are limited to tree farmers and commercial growers who own 1,000 acres or less and planted within the last 2 years. No person may receive more than \$25,000.

# **The Disaster Assistance Act of 1988**

## **A Description of the Provisions**

**Kathryn L. Lipton  
Susan L. Pollack**

### **INTRODUCTION**

The largest disaster relief measure in U.S. history, the Disaster Assistance Act of 1988 (P.L. 100-387) was signed into law on August 11, 1988. The \$3.9-billion bill is designed to provide financial assistance to farmers and ranchers who have suffered losses because of natural disasters in 1988. These include drought, hail, excessive moisture, or related conditions.

The five titles of the bill provide aid for livestock and dairy production, crop and forestry production, and agricultural credit to producers and rural businesses. Title I provides emergency assistance to livestock producers. Those who grow their own feed may be eligible for Government donations of feed, hay and forage, and emergency water assistance, as well as livestock transportation assistance.

Title II describes the disaster assistance program available to crop producers who lost more than 35 percent of their historic production. Disaster payments defined under this title are available to program participants and nonparticipants, and nonprogram crop producers. Assistance will also be provided to producers whose crop quality declined.

Title III contains a wide range of emergency provisions for farmers, including disaster credit and forbearance and restructuring of loans. Commodity stock adjustment provisions permit producers to plant soybeans and sunflowers on their permitted acreage. In addition, the title encourages a number of long-term conservation measures to protect soil and water resources, including the establishment of permanent shelterbelts and windbreaks, and the planting of trees.

Title IV is administered by the Secretary of the Interior. It provides water assistance to rural areas and makes water available for irrigation, on a temporary basis, from Federal reclamation projects.

Title V extends emergency assistance to migrant farmworker households. The bill transfers \$5 million from the disaster-relief program of the Federal

Emergency Management Agency to fund farmworker programs under the Job Training Partnership Act.

## **Title I--EMERGENCY LIVESTOCK ASSISTANCE**

Title I of the Disaster Assistance Act of 1988 amends the Agricultural Act of 1949 by adding a new Title VI, the Emergency Livestock Feed Assistance Act of 1988.

### **Section 101. Emergency Feed and Related Assistance**

The Agricultural Act of 1949 is amended by adding Title VI. Following are Sections 603 through 612 of Title VI.

**Section 603. Emergency Livestock Assistance.** The act provides feed assistance to farming, ranching, or aquaculture operations in areas where the Secretary of Agriculture determines a livestock emergency exists because of a natural disaster. Producers may apply for assistance any time up to 8 months after the Secretary declares an emergency in a State, county, or other area. Producers in counties contiguous to the emergency areas are also eligible.

**Section 604. Determination of Need for Assistance.** The Secretary of Agriculture may declare a State a livestock emergency area following a request by the governor. Similarly, an Agricultural Stabilization and Conservation county committee may request the determination for a county. The Secretary must act on a request within 30 days. The Secretary may also consider a State, county, or area whether or not a request is submitted.

A State, county, or area declared eligible for the Emergency Feed Program (EFP) or Emergency Feed Assistance Program (EFAP) before the bill was enacted remains eligible. The EFP, authorized by the Food and Agriculture Act of 1977, pays eligible livestock owners a portion of the cost of emergency feed purchased to replace that normally grown on the farm. The EFAP provides for the sale of grain owned by the Commodity Credit Corporation (CCC) at 75 percent of the basic county loan rate to livestock producers whose feed production has suffered because of drought or excessive moisture. The program was authorized by the Agricultural Act of 1949.

The Disaster Assistance Act also requires the Secretary to determine as soon as possible after the bill's effective date if other programs described in Section 606 should be made available.

**Section 605. Eligible Producers.** Livestock producers in a declared emergency area are eligible for emergency feed assistance if they have suffered a substantial loss in feed normally produced on the farm for their livestock and, as a result, do not have sufficient feed with adequate nutritive value suitable for their particular livestock for the duration of the emergency.

At the discretion of the Secretary, all livestock producers in an emergency area, regardless of whether they grow their own feed, will be eligible for emergency assistance under Section 607 of the bill.



**Section 606. Assistance Programs.** The Disaster Assistance Act of 1988 requires the Secretary to implement one or more of the following programs:

- o Feed grain owned by the Commodity Credit Corporation (CCC) may be sold for livestock feed at a price established by the Secretary. For livestock emergencies prior to January 1, 1989, the price may not exceed 75 percent of the current basic county loan rate or a comparable price if there is no county loan rate. For any other livestock emergency, the price may not exceed 50 percent of the average market price in the county or area involved.
- o Feed grain owned by the CCC may be donated to producers who are financially unable to purchase feed or to participate in any other program authorized in this section of the act.
- o Producers may be reimbursed for up to 50 percent of transportation and handling expenses incurred in connection with feed grain donations or sales.
- o Producers may be reimbursed for up to 50 percent of the cost of feed purchased during the duration of the livestock emergency.
- o Producers may be reimbursed for up to 50 percent of the cost of transporting hay or forage purchased from outside their normal trade area. The transportation assistance, however, may not exceed \$50 per ton of eligible hay or forage (\$12.50 for silage). The quantity of eligible hay and forage for each producer also cannot exceed the lesser of 20 pounds per day per eligible animal or the quantity of additional feed needed by the producer for the duration of the livestock emergency.
- o Producers may also receive up to 50 percent of the cost of transporting livestock to and from available grazing locations. The assistance may not exceed the lesser of \$24 per head or the local cost of the quantity of additional feed needed.

If assistance is made through CCC sales or donations, the Secretary may provide feed grain through a dealer or manufacturer and replace it with feed grain owned by the CCC. The Secretary may also make in-kind payments or reimbursements by issuing negotiable (generic) certificates that the CCC will exchange according to rules prescribed by the Secretary.

Eligible producers must apply no later than March 31, 1989, to receive payments. The Secretary may extend the application date. An application should not be submitted until a producer knows the full extent of need.

**Section 607. Additional Assistance.** At the discretion of the Secretary, additional assistance may also be made available to all livestock producers in a designated emergency area. This includes:

- o The donation of feed owned by the CCC to feed stranded livestock whose owner cannot be identified. The assistance includes the cost of transporting feed to the affected area.
- o Reimbursement of up to 50 percent of the cost of installing pipelines (if that is the least expensive method) or other facilities, including tanks or troughs for livestock water. Producers can also be reimbursed for up to 50 percent of the construction or deepening of wells and for developing springs or seeps for livestock water.

This cost assistance is not available to provide water for wildlife or recreational livestock, dry-lot feeding, barns or corrals, or to acquire pumping equipment.

- o Reimbursement of up to 50 percent of the cost of burning prickly pear cactus to make it suitable for animal feed.
- o Commodities owned by the CCC are also made available to livestock producers through the use of a catalog that specifies lots of a size that are economically feasible for a small producer to obtain by exchanging certificates.

**Section 609. Benefits Limitation.** The total amount of benefits a person can receive annually under one or more of the livestock assistance programs authorized by the bill is limited to \$50,000. The Secretary is required to issue regulations defining the term "person" which conform to Section 1001 of the Food Security Act of 1985. The definition of a person includes each member of any cooperative association of producers.

A person cannot receive livestock assistance benefits for lost production of a feed commodity if that person has obtained payment for the same loss under the emergency crop provisions of the bill.

The combined total payments for crop or livestock losses suffered in 1988 cannot exceed \$100,000 per person. If it does, a person may elect to receive the \$100,000 in crop loss benefits, livestock emergency benefits up to \$50,000, or a combination of payments and benefits.

**Section 610. Ineligibility.** Eligibility for livestock emergency assistance is limited to producers with gross revenues of \$2.5 million or less. A person's "qualifying gross revenue" would be that from farming and ranching if that is the major source of annual income. If most of the person's income is not from farming and ranching, "qualifying gross revenue" includes the person's gross revenue from all sources.

**Section 611. Administration.** The Commodity Credit Corporation is required to issue regulations to carry out this title to the Disaster Assistance Act of 1988. The regulations should establish procedures to ensure that requests for assistance are processed as quickly as possible.

Indigenous plants available to a livestock producer but not normally used as feed, such as cactus, may not be considered as feed on hand.



**Section 612. Penalties.** A person who disposes of any feed made available to a producer other than as authorized by the Secretary of Agriculture will be subject to a civil penalty equal to the market value of the feed involved and guilty of a misdemeanor. If convicted, the violator will be subject to a fine of up to \$1,000, or imprisonment for 1 year, or both.

A number of existing statutes are repealed and replaced by the new Title VI of the Agriculture Act of 1949. The Disaster Assistance Act of 1988 repeals Section 303 of the Dairy and Tobacco Adjustment Act of 1983. Section 303 authorized an emergency feed program in 1983 and 1984, using Commodity Credit Corporation stocks of damaged corn.

Section 407 of the Agricultural Act of 1949 is amended by substituting a provision that allows for donation or sales of commodities under the new Title VI. Previously, the section contained detailed information on the conditions for sales and donations.

Section 421 of the Agricultural Act of 1949 is repealed. That provision mandates penalties for persons improperly disposing of feed provided by the CCC.

Section 612 took effect 15 days after enactment of the Disaster Assistance Act of 1988. The eligibility provisions of the act will apply only with respect to any livestock emergency in 1988. Programs in effect before the bill was enacted will continue. Producers can elect to stay with the preexisting livestock programs (EFP and EFAP) for the duration of the 1988 emergency.

#### **Section 102. Assistance for Dairy Farmers**

The anticipated January 1, 1989, price support cut is deleted. Under Section 201(d)(1)(D) of the Agricultural Act of 1949, the Secretary is required to reduce the price support for milk by 50 cents if purchases are estimated on January 1 of the year to exceed 5 billion pounds.

The support rate for milk will be increased by 50 cents for the 3 months from April 1 to June 30, 1989, from \$10.60 per hundredweight (cwt) to \$11.10 per cwt.

#### **Section 103. Emergency Forage Program**

The Secretary will implement an emergency forage program for established pasture damaged by the drought or related conditions in 1988. Under this program, USDA and owners or operators will share the cost of reseeding forage crops on damaged land to facilitate late fall 1988 and early spring 1989 haying and grazing. Assistance will be provided only when the forage crop will not regenerate naturally. Reseeding must also be the most cost-effective method and it cannot be undertaken simply to improve the damaged forage crop.

The Secretary will share half the costs of reseeding, including seed, fertilizer, and other inputs. Reseeding can include only nonannual crops

planted for pasture. The total amount of payments an owner or operator can receive is limited to \$3,500.

No more than \$50 million of CCC funds can be used for this program. The Secretary is given the authority to prorate assistance made available to separate persons if necessary to provide equity if requests for assistance exceed the \$50-million cap.

## **TITLE II--EMERGENCY CROP LOSS ASSISTANCE**

### **Annual Crops (Subtitle A)**

Disaster payments will be provided to all agricultural producers, whether or not they participate in Federal farm programs or have crop insurance (see Sec. 207). However, to receive payments, a producer must obtain multiperil crop insurance if his production loss exceeds 65 percent and he does not already have insurance.

Payments will be provided to producers who have lost more than 35 percent of their crop production. The producer's total disaster payment equals 65 percent of the base yield less the actual yield multiplied by the disaster payment rate. The base yield is:

For program participants--the farm program payment yield;

For program nonparticipants--the county average yield;

For peanuts--the program yield;

For tobacco, sugar beets, and sugarcane--the county average yield;

For soybeans--the State, area, or county yield, adjusted for adverse weather conditions during the 3 previous crop years; and

For nonprogram crops--the yield established by the CCC.

The rate is 65 percent of the crop payment level for any production loss greater than 35 percent but not greater than 75 percent, and 90 percent of the crop payment level for any production loss greater than 75 percent. The payment levels are:

For program participants--the target price for the commodity;

For program nonparticipants--the basic county loan rate for the commodity or, if there is none, a comparable price;

For peanut producers--the price-support level for quota peanuts or for additional peanuts, as appropriate;

For tobacco producers--the national average loan rate or, if none, the market price;

For sugar beets and sugarcane producers--the level determined by the Secretary to be fair and reasonable in relation to price-support levels for these 1988 crops. The return to the producer should not be less than under the 1988 price support; and

For soybeans and nonprogram crops--the simple average price received by producers of a commodity during the previous 5 marketing years, excluding the highest and the lowest price.

#### **Section 201. Payments to Program Participants for Target Price Commodities**

Crops planted on acreage where production had to be diverted or reduced as part of the requirements for participation in a commodity program are not eligible for disaster payments. Producers who elected to enter the 0/92 program by March 11, 1988, have the option to receive disaster payments (based on their program payment yield) instead of 92 percent of their deficiency payments even if they do not plant anything.

Producers will not be required to refund advanced deficiency payments for their 1988 wheat, feed grain, upland cotton, or rice crops for losses up to 35 percent of production. However, the Secretary may determine that an advanced deficiency payments refund would be required on that portion of the crop for which a disaster payment was made. In this case, the producer would have until July 31, 1989, to repay.

#### **Section 202. Payments to Program Nonparticipants for Target Price Commodities**

Program nonparticipants will receive prevented-planting credit for acreage which they could not plant in 1988 due to a disaster. The acreage for which a producer can receive credit cannot be greater than the acreage planted to the commodity (or prevented from planting due to conditions beyond the producer's control) for harvest in 1987 or the average of the acreage planted to harvest or prevented from planting in 1985, 1986, and 1987, minus the acreage actually planted to the commodity for harvest in 1988. Adjustments will be made to take into account crop rotation practices.

The amount of payments a producer can receive will be reduced by the acreage limitation program percentage as established for the crop by the Secretary. The amount of required acreage reduction for the 1988 crop was:

<u>Crop</u>	<u>Percent</u>
Wheat	27.5
Feed grains (except oats)	20.0
Oats	5.0
Rice	25.0
Upland cotton	12.5
Extra long staple cotton	10.0

### **Section 203. Peanuts, Sugar, and Tobacco**

Producers of peanuts, sugar beets, sugarcane, and tobacco are also eligible to receive the prevented-planting credit described in Section 202. Adjustments will be made for increased quotas for the 1988 tobacco crops as well as crop rotation practices.

Special rules for peanuts--Peanut production losses will be reduced by the amount of poundage quota that was the basis of anticipated production that has been transferred from the farm. The payment rate for disaster payments will take into account whether the decreased production was in quota peanuts or additional peanuts. Future quota increases will be determined by the amount of the producer's undermarketings reduced by the amount of peanut production loss which received disaster payment.

Special rules for tobacco--The amount of undermarketings to be used to determine future tobacco quota increases will be reduced by the amount of tobacco production loss which received disaster payment. Disaster payments will not be considered in determining the net losses of the Commodity Credit Corporation.

Special rule for sugar--Producers of 1988 sugar beets and sugarcane who are unable to process the commodity into sugar because local processing plants were unable to process the sugar as a result of a natural disaster in 1988 are eligible for disaster payments. These disaster payments will be reduced by any proceeds received by the producer from disposing of that portion of the crop on which disaster payments are made.

### **Section 204. Soybeans and Nonprogram Crops**

Disaster payments will be made on a crop-by-crop basis, taking into account markets and uses of the crop. Payment rates will be determined separately for each crop as is practicable, for different varieties of the same commodity which have significantly different economic value on the market. Producers of soybeans and nonprogram crops are eligible for the prevented-planting credit described in Section 202.

Disaster program farm yields for nonprogram crops will be based on proven yields if the producer can provide satisfactory evidence of actual crop yields on the farm for at least 1 of the immediately preceding 3 crop years. The county average yield for the commodity will be used if such data do not exist.

### **Section 205. Crop Quality Reduction Disaster Payments**

To ensure that program, peanut, tobacco, sugar, and soybean producers of 1988 crops are treated equitably, the Secretary may make additional disaster payments to producers who suffered losses caused by reduced quality of the crops because of natural disaster. If the Secretary decides to make such a payment, producers would qualify if they had a production loss of 35 percent or greater but less than 75 percent.



The reduced-quality payment is not to exceed 10 percent of the payment level used to determine the disaster payment for the crop (see disaster payment description). The amount of payment is determined by multiplying the payment level by the portion of the actual harvested crop on the producer's farm that is reduced in quality by natural disaster in 1988.

#### **Section 206. Effect of Federal Crop Insurance Payments**

For producers who obtained Federal crop insurance, total payments will be limited to combined crop insurance benefits and disaster payments up to an amount that does not exceed income that would have resulted from a normal crop yield.

#### **Section 207. Crop Insurance Coverage for the 1989 Crops**

Producers who elect to receive disaster payments and who suffer crop losses greater than 65 percent must purchase the minimum amount of Federal crop insurance, if it is available in their county for the 1989 crop year. This requirement does not apply if the premium for the crop insurance would exceed 25 percent of the benefits received under the disaster program or if the insurance premium increases more than 25 percent between 1988 and 1989. Farmers can appeal to their local ASCS committee to waive the crop insurance requirement if the farmer can demonstrate that its purchase would create undue financial hardship.

If producers cancel their crop insurance, they must immediately repay any disaster payment, and refund any forgiven advanced deficiency payment, and will be immediately liable for full repayment of all principal and interest outstanding on any emergency loan.

#### **Section 208. Dry Edible Beans; Communication and Education**

This section amends Section 508 of the Federal Crop Insurance Act. It requires that data be accumulated before the 1989 dry edible bean crop year to enable the Federal Crop Insurance Corporation to extend coverage to dry edible bean producers effective 1989. It also requires that to assist these producers to obtain coverage, improvements must be made in information dissemination, agents' training, incentives to increase sales through the delivery system, and agency referral system for producers seeking information. Improvements must also be made in cooperation between Federal and State agencies relating to Federal crop insurance, and the use of financial and educational computer programs available in Federal crop insurance as a uniform input of costs of production of agricultural commodities for disaster risk management.

#### **Section 209. Transfer of Funds**

The Secretary may transfer CCC funds to ASCS during fiscal year 1988, as necessary, for salaries and other expenses incurred in carrying out Titles I and II of this act, if no such funding is made under an appropriations act.

## **Section 210. Crops Harvested for Forage Use**

The Secretary must announce the terms and conditions by which producers may establish 1988 yields for crops that will be harvested for silage and other forage uses no later than 15 days after enactment of this act.

## **Section 211. Payment Limitations**

The total amount of disaster payments a person is entitled to receive under one or more of these programs is \$100,000. Combined livestock benefits and disaster payments may not exceed \$100,000 for each person. The Secretary is to define "person," conforming with the definition used under the Food Security Act of 1985.

## **Section 212. De Minimis Yields**

The Secretary may determine a minimum yield for producers eligible for reduced-yield disaster payments to minimize any incentive to abandon crops that have a value that is greater than the cost of harvesting them. This minimum yield may not be less than the amount of production that, when valued at current market prices, equals the average cost of harvesting the crop, as determined by the Secretary. Any producer whose actual yield for a crop is equal to or less than the de minimis yield for the crop will be considered as having an actual yield of zero for the purpose of calculating any reduced-yield disaster payment for the crop.

## **Forest Crops (Subtitle B)**

### **Section 221. Eligibility**

The Secretary will provide assistance to eligible tree farmers who had a loss greater than 35 percent (adjusted for normal mortality) on their tree seedling plantings in 1987 or 1988 for commercial purposes, due to the drought or related conditions in 1988.

### **Section 222. Assistance**

Assistance consists of either reimbursing 65 percent of the cost of replanting seedlings lost during the drought (over 35 percent of the loss) or, at the Secretary's discretion, sufficient tree seedlings to reestablish the stand.

### **Section 223. Limitation on Assistance**

The total amount of payments a person may receive may not exceed \$25,000, or an equivalent value in tree seedlings. This subtitle is not included in the \$100,000 limit.

### **Section 224. Definition**

An eligible tree farmer is a person who owns 1,000 acres or fewer of trees and produces annual crops from these trees for commercial purposes or grows them for harvest for commercial purposes.



## **Section 225. Duplicative Payments**

The Secretary is to establish guidelines so that no one receives duplicative payments from this program and the forestry incentives program, agricultural conservation program, or other existing Federal programs.

### **Administrative Provisions (Subtitle C)**

## **Section 231. Ineligibility**

A person who has gross farm revenues in excess of \$2 million is not eligible to receive any disaster payments.

## **Section 232. Timing and Manner of Assistance**

Disaster payments are to be made by the Secretary as soon as is practicable after enactment of this act. Before producers can receive payments, a completed application must be approved. Applications must be completed by March 31, 1989, unless the date is extended by the Secretary.

Payments may be made in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

## **Section 233. Use of Commodity Credit Corporation**

The Secretary will use the funds, facilities, and authorities of the CCC to carry out the disaster payment program.

## **Section 234. Regulations**

The Secretary or the CCC will issue regulations to implement the disaster payments provisions as soon as practicable.

### **Sense of Congress (Subtitle D)**

## **Section 241. Purposes of Disaster Payments**

It is the sense of Congress that disaster payments made to producers are intended to preserve each producer's livelihood and farming operation, to enable the producer to meet preexisting commitments and obligations, to protect the infrastructure of the U.S. agricultural production input, supply, marketing, and distribution systems, and to preserve the vitality and health of rural communities.

### **TITLE III--OTHER EMERGENCY PROVISIONS**

Each provision of Title III that contains language relating to 1988 natural disasters specifies that the provision applies to drought, hail, excessive moisture, flood, or related conditions in 1988.

## Commodity Stock Adjustment (Subtitle A)

### Section 301. Soybeans, Sunflowers, and Cottonseed and Sunflower Seed Oil

**Planting of Soybeans and Sunflowers on Permitted Acres.** The Secretary may permit producers to plant soybeans or sunflowers on a portion of 1989 wheat, feed grain, upland cotton, extra long staple cotton, and rice-permitted acreage. The amount planted must be between 10 and 25 percent of the permitted program crop acreage. The provision may be extended to the 1990 crop if the Secretary determines there will be insufficient supplies of soybeans.

The Secretary will establish a signup period for the 1989 and, if necessary, the 1990 crops, during which producers must state their intentions regarding use of the increased planting provision.

After the signup period, the Secretary will estimate whether, based on the additional soybean and sunflower plantings, the average market price will be less than 115 percent of the loan rate established for the previous crop. If it is, the Secretary will prorate the plantings of soybeans allowed on permitted acres to as low as zero percent so the average soybean market price does not fall below 115 percent of the loan rate for the previous crop.

**Report on Planting Soybeans and Sunflowers on Permitted Acreage.** For the 1989 and 1990 crops, the Secretary must submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate outlining the reasons for allowing or not allowing producers to plant soybeans and sunflowers on permitted acreage and any reduction in the permitted planting acreage. The statement must include:

- (1) the estimated impact on soybeans, sunflowers, corn, wheat, upland cotton, extra long staple cotton, and rice;
- (2) an economic evaluation of market effects;
- (3) an estimate of foreign production of oilseeds, and the impact on domestic oilseed markets; and
- (4) any other factors the Secretary considers appropriate.

The acreage planted to soybeans or sunflowers in this program will not affect the calculation of the producer's historical base.

Producers who plant soybeans or sunflowers on wheat, feed grain, upland cotton, extra long staple cotton, or rice acreage cannot receive any program benefits other than soybean or sunflower seed price support loans and purchases.

**Statement of Soybean Marketing Loan.** The Secretary of Agriculture must submit a statement to the House and Senate Agriculture Committees giving the reasons for implementing or not implementing the soybean marketing loan program. The statement must include:

- (1) an economic evaluation of current foreign and domestic soybean markets;

- (2) the current foreign soybean production statistics;
- (3) the U.S. soybean export market situation and outlook;
- (4) the computation of the prevailing world market price for soybeans;
- (5) the fiscal impact of the implementation of the marketing loan for soybeans; and
- (6) other factors the Secretary considers appropriate.

The statement must be submitted between February 1 and March 1, 1989, for the 1989 crop of soybeans and not later than September 1, 1989, for the 1990 crop.

**Cottonseed and Sunflower Seed Oil.** The Secretary must support the prices of cottonseed and cottonseed products through loans, purchases, export assistance, or any other form of assistance if he determines the price of cottonseed or cottonseed products is adversely affected by the plantings of soybeans and sunflowers on permitted acreage.

In fiscal years 1989 and 1990, the Secretary of Agriculture is to use funds available under Section 32 of P.L. 320 to purchase sunflower seed and cottonseed oil. The purchases are designed to facilitate additional export sales of sunflower seed and cottonseed oil at competitive prices. Funds may be made available for purchases only to the extent authorized in advance in appropriation acts. Such funds are in addition to those made available for purchases of sunflower seed oil in the 1988 Continuing Resolution (P.L. 100-202).

To the extent possible, cottonseed oil exports should be facilitated through authorities other than that granted above. Except as otherwise indicated, the Secretary will use funds, facilities, and authorities of the CCC to carry out this provision.

#### **Section 302. Oats**

Section 503 of the Agricultural Act of 1949 is amended to allow producers to plant any portion of the farm acreage base (excluding soybeans) to oats if the feed grain acreage reduction program requirement is 12.5 percent or less. This provision is in effect for the 1989 and 1990 crops. Producers who increase their oat plantings under this provision will not lose their historical crop acreage bases.

For the 1989 and 1990 crops, it is the sense of Congress that if the feed grain acreage limitation percentage is established at greater than 12.5 percent of the crop acreage base and if market imbalances for barley and oats exist, the Secretary is encouraged to establish the lowest possible acreage limitation requirement authorized by law for oats.

#### **Section 303. Producer Reserve Program for Wheat and Feed Grains**

Section 110 of the Agricultural Act of 1949 is amended for the 1988 marketing year for wheat or feed grains. For the 1988 marketing year only, once the price for farmer-owned reserve loans is reached, producers may repay loans without penalty even if prices later fall below the release price.

Producers who substituted purchased or other commodities for those originally pledged as collateral for a farmer-owned reserve loan may repay the loan using generic commodity certificates. The substitute commodities must have been placed under loan and redeemed only within the same county.

#### **Section 304. Tobacco and Peanuts**

Section 319 of the Agricultural Adjustment Act of 1938 is amended, allowing the Secretary to permit the lease and transfer of burley tobacco quota assigned to a farm after July 1 of any crop year. To be eligible, the Secretary must determine that the planted acreage of burley tobacco on the farm where the quota is to be transferred is sufficient to produce the effective farm marketing quota under average conditions. Furthermore, the farm's expected production of burley tobacco on the farm transferring the quota must be less than 80 percent of its effective marketing quota as a result of a natural disaster. Any lease or transfer may be made to another farm within the same State in accordance with regulations issued by the Secretary.

The Secretary may adjust a producer's marketing quota for 1989 by the amount of the producer's undermarketings due to natural disaster in 1988, except that the adjustment for 1989 may not exceed 125 percent of the producer's basic quota.

For 1986 through 1990 crops of peanuts for which a farm poundage quota was established, the landowner is not required to sign a transfer authorization in the case of a fall transfer or a transfer after the normal planting season by a cash lessee. The transfers may not be made later than 72 hours after the peanuts to be transferred are inspected and graded.

#### **Disaster Credit and Forbearance (Subtitle B)**

##### **Section 311. Emergency Loans**

The Farmers Home Administration (FmHA) is authorized to provide emergency loans for producers whose crops were affected by disaster in 1988 whether or not the producer had previously purchased Federal crop insurance. Under previous law, an applicant was not eligible for FmHA disaster emergency loans if Federal crop insurance was available.

##### **Section 312. 1989 Farm Operating Loans**

To the extent possible, the Secretary will ensure that direct operating loans made or insured by FmHA for 1989 crop production are made available to farmers and ranchers suffering major losses due to a natural disaster in 1988. The Secretary may use the Agricultural Credit Insurance Fund for emergency insured and guaranteed loans during fiscal years 1988 and 1989. These funds, however, must first be used to satisfy the necessary level of assistance estimated by the Secretary for emergency disaster loans.

The act extends FmHA loan guarantees to help producers who have borrowed from the Farm Credit System (FCS) or other commercial lenders and cannot repay all



or part of 1988 operating loans or regularly scheduled 1988 or 1989 installments on farm real estate, equipment, buildings, or other operating debt.

The guaranteed loans for 1988 natural disaster purposes must contain reamortization terms and conditions that will enable the farmer or rancher to receive new operating credit.

Any person able to receive crop disaster payments on crops is also eligible for guaranteed loans from a commercial or cooperative lender to refinance 1988 or 1989 installment payments. The loans would allow a producer to repay 1988 or 1989 installments over a period of up to 6 years. To qualify, however, producers must be current in their obligations to the lender accepting the guarantee and must meet other criteria for FmHA-guaranteed operating loan borrowers.

### **Section 313. Forbearance and Restructuring for Farm Loans**

With respect to farmers and ranchers suffering major losses due to natural disaster in 1988, it is the sense of Congress that the FmHA should:

- o exercise forbearance in collecting interest and principal on direct farmer program loans;
- o expedite the use of credit restructuring and other credit relief mechanisms;
- o encourage commercial lenders participating in guaranteed farmer lending programs to exercise forbearance before declaring farmers and ranchers in default.

It is also the sense of Congress that the Farm Credit Administration should:

- o ensure that Farm Credit System institutions exercise forbearance in collecting the principal and interest on outstanding loans of farmers and ranchers suffering major losses due to natural disaster in 1988;
- o expedite the use of credit restructuring and other credit relief mechanisms; and
- o encourage other lenders participating with FCS institutions in mutual loan agreements to exercise forbearance before declaring loans in default.

### **Conservation Assistance (Subtitle C)**

#### **Section 321. New Conservation Measures**

The Secretary may not reduce rental payments made to owners or operators who harvest hay during the 1988 crop year on acreage under a Conservation Reserve Program (CRP) contract if they incur costs in carrying out approved conservation practices. These include establishment of permanent shelterbelts

and windbreaks, restoration of wetlands, establishment of wildlife food plots, or planting trees.

The Secretary will refund 25 percent of a producer's rental payments withheld on lands hayed if the producer shares (50/50) the cost of carrying out the conservation and wildlife enhancement practices.

#### **Section 322. Conservation Reserve Enhancement Programs**

The CRP rental payment limit is not applicable to payments received by a State, political subdivision, or agency for approved conservation reserve enhancement agreements. Under the Food Security Act of 1985, an owner's or operator's annual cash or in-kind rental payments may not exceed \$50,000.

### **Rural Business (Subtitle D)**

#### **Section 331. Disaster Assistance for Rural Business Enterprises**

The Secretary will guarantee loans made in rural areas to public, private, or cooperative organizations, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to any other business entities to assist them in alleviating distress caused by natural disasters in 1988. Loans to entities that refinance or restructure debt as a result of losses incurred directly or indirectly because of natural disasters in 1988 are also guaranteed.

Loans made by any Federal- or State-chartered bank, savings and loan association, cooperative lending agency, insurance company, or other legally organized lending agency are eligible.

The guarantee cannot exceed 90 percent of the principal amount of the loan and guarantees made on loans to any eligible borrower may not exceed \$500,000. The total amount of loan guarantees must not exceed \$200 million. The Secretary will use funds from the Rural Development Insurance Fund for the loan guarantees.

#### **Section 332. Sale of Corn to Ethanol Producers**

If, during any month after July 31, 1988, the average corn price exceeds the fuel conversion price, the Secretary can make up to 12 million bushels per month of CCC-owned corn available to domestic ethanol producers. The fuel conversion price is that which will permit gasoline-alcohol mixtures produced from corn to be competitive with unleaded gasoline priced at the point it leaves the refinery, adjusted for differences in octane rating and other factors. The corn will be sold for not more than the fuel conversion price, but not less than 110 percent of the basic county loan rate. The total quantity of corn sold to any ethanol producer cannot exceed 2 million bushels per month.



The Secretary may not make corn or other commodities available to any domestic ethanol producer that uses more than 30 million bushels of corn or comparable commodity annually in producing ethanol.

Domestic producers purchasing corn under this provision must agree not to resell it and to make feed byproducts available for sale equivalent to the amount processed from the purchased corn.

The program will end September 1, 1989, or sooner if the Secretary determines that the program is no longer necessary to maintain the economic viability of the ethanol industry or a sufficient supply of corn would otherwise be unavailable to fulfill estimated obligations of the CCC under emergency livestock feeding programs during the subsequent 180-day period.

The Secretary may, at the request of a domestic producer of ethanol, substitute other feed grains (such as grain sorghum) for corn on an equitable basis, taking into account variations in their value in ethanol production.

### **Section 333. Survey of Agribusiness**

No later than 90 days after enactment of the bill, USDA will conduct a survey of U.S. rural businesses and enterprises, including grain handling and storage facilities, whose activities involve or are directly related to the production, processing, or marketing of agricultural commodities or products, or to servicing the business and home needs of U.S. farmers and ranchers. The study is to determine the extent that these businesses have been adversely affected, directly or indirectly, by a natural disaster in 1988.

The report on the study results must be submitted to the House and Senate Agriculture Committees.

### **Section 334. Forward Contracting Report**

No later than 60 days after the bill's enactment, USDA must submit a report to the House and Senate Agriculture Committees on the financial effect of forward contracting, hedging, and associated margin requirements for wheat, feed grains, and soybeans during the recent drought-related period of price volatility on producers and grain marketers, particularly local elevators and intermediaries.

The report must discuss the extent to which currently planted or stored crops are subject to cash forward contracts or otherwise are hedged, and what portion of these contracts are in danger of default as a result of drought-related crop losses. The report is also to include a discussion of the extent to which local grain elevators may experience severe financial stress due to defaults on cash forward contracts or due to margin requirements on futures market positions, as well as the extent to which producers have been able to renegotiate forward contracts. The Secretary must also examine the extent to which hedging and forward contracting practices may produce unusual demands for credit among farm producers and marketers and such other areas of related concern.

The Secretary should immediately notify the House and Senate Agriculture Committees if he finds that serious economic or financial problems related to forward contracting, hedging, and margin requirements for grains are likely.

The Secretary is required to consult with the Chairman of the Commodity Futures Trading Commission.

### **Section 335. Rural Economic Development Response to the Drought**

Congress finds that:

- o the drought is adversely affecting farmers in a large number of States;
- o the drought has also affected rural communities;
- o rural businesses and financial institutions are experiencing the negative effects of decreased sales and they anticipate severe problems over the next year;
- o local rural government will experience difficulties in providing services important to rural residents;
- o because the drought has meant reduced deficiency and storage payments, significant savings will accrue to the Federal budget; and
- o assistance to farmers represents only the first stage of a comprehensive response to the drought.

It is the sense of Congress that:

- o budgetary savings should, to the extent possible, be dedicated to relief for farmers and agricultural workers and to assist rural businesses and communities;
- o action should be taken to establish comprehensive Federal rural economic programs that address the needs of rural businesses and governments; and
- o rural development programs should stress efforts to cooperate with and support local decisionmaking; promote market-based capital formation; create a more equitable and dependable partnership between the Federal and other levels of government; provide Federal initiatives for improving the quality of rural health care, child care, and education; and foster better understanding of the effect of Federal spending, tax, trade, and regulatory decisions on rural communities.

### **Agricultural Exports (Subtitle E)**

### **Section 341. Sense of Congress--Agricultural Exports**

Congress finds that:

- o the drought of 1988 has caused substantial crop losses and is putting an enormous financial burden on U.S. farmers;
- o the Food Security Act of 1985 recognized that agricultural export markets are extremely important in ensuring the economic recovery and future success of U.S. farmers. The act established several programs to develop and expand agricultural export markets and to help restore the U.S. share of international agricultural trade;
- o the programs under the Food Security Act of 1985, such as the export enhancement program, have been successful;
- o U.S. agricultural exports make a substantial contribution to reducing the U.S. international trade deficit;
- o it is important that the United States be perceived as a reliable supplier of agricultural commodities and products;
- o imposing embargoes on, or taking other steps to reduce the levels of, exports of agricultural commodities or products because of the drought will undermine the gains made since 1985 in securing markets for U.S. agricultural products; and
- o embargoes or similar steps would jeopardize the progress in strengthening our agricultural export markets.

It is the sense of Congress that:

- o the Government should not exacerbate present agricultural conditions by imposing embargoes or other limitations that reduce exports; and
- o the Government should not otherwise jeopardize U.S. foreign agricultural markets or give our trading partners reason to believe U.S. farmers have become unreliable suppliers.

### **Food Prices (Subtitle F)**

#### **Section 351. Sense of Congress--Food Prices**

Congress finds that:

- o in spite of the drought, the United States continues to have ample supplies of grain;
- o the Department of Agriculture projects that even if the drought continues, food prices are not expected to increase significantly; and
- o in view of these circumstances, no person in the United States should have to pay unwarranted, unjustified, or excessive food prices and that higher food prices, irrespective of their cause, affect those least able to pay the most.

It is the sense of Congress that USDA, in cooperation with other Federal agencies and State and local agencies, should monitor, study, and report to Congress about food price increases at wholesale and retail levels during the coming months, to ensure that no unwarranted food price increases are implemented and that any necessary increases are commensurate with commodity price increases resulting from the drought.

#### **Section 352. Study of Effect of Drought on Food Prices**

The Secretary of Agriculture will conduct a survey of food and commodity prices as of December 31, 1988, to determine the effects of the drought and related conditions in 1988 on recipients of Federal nutrition and hunger benefits.

The report must be submitted to Congress by March 1, 1989. The report must include an analysis of the adequacy of benefits under Federal nutrition and hunger programs with respect to any food price inflation that has occurred because of the drought. Recommendations for any actions that may be taken by the Secretary or Congress should also be included.

### **TITLE IV--WATER-RELATED ASSISTANCE**

#### **Water Management for Rural Areas (Subtitle A)**

#### **Section 401. Water Management for Rural Areas**

The Secretary is authorized to help rural areas make better and more efficient use of water resources and to alleviate problems in these areas due to the drought. The assistance may be direct or in coordination with other Federal agencies, entities, corporations, departments, State or local governments, cooperatives, individuals, public or private organizations, Indian tribes, or universities. It may consist of conducting research and demonstration projects; providing technical assistance and extension services; making grants, loans, and loan guarantees; and providing other forms of assistance.

The Secretary is authorized to provide assistance promoting and establishing irrigation, watershed, and other water and drought management activities, including water transmission, application, and activation. The general, special, and unique problems of water management in rural areas should be taken into consideration when implementing the assistance program.

Funds are authorized to be appropriated to carry out this program. The Secretary is also authorized to accept funds from non-Federal sources to carry out these activities.

#### **Emergency Drought Authority (Subtitle B)**

#### **Part 1--Reclamation States Drought Assistance**

#### **Section 411. Short Title**



Part 1 can be cited as the "Reclamation States Drought Assistance Act of 1988."

#### **Section 412. Assistance During Drought**

The Secretary of the Interior is to perform studies to identify opportunities to augment, make use of, or conserve water supplies available to Federal reclamation projects and Indian water resource developments, to be completed no later than March 1, 1990. The Secretary is also required to undertake construction, management, and conservation activities, consistent with existing contractual arrangements and State law, that will help mitigate losses and damages due to the droughts in 1987, 1988, or 1989. Construction must be completed by December 31, 1989. The Interior Secretary is also to assist buyers to purchase available water supplies and redistribute the water based on priorities determined by the Secretary, to minimize losses and damages resulting from 1987, 1988, and 1989 drought conditions.

#### **Section 413. Availability of Water on a Temporary Basis**

The Secretary of the Interior may make water or canal capacity at existing Federal reclamation projects available to water users and others on a contractual temporary basis. The contracts, which expire December 31, 1989, must provide the price for water use at a level at least sufficient to recover all Federal operation and maintenance costs and an appropriate share of capital costs. However, water delivered to a landholding of class I lands or equivalent must be at full cost for those holdings in excess of 960 acres for qualified recipients or in excess of 320 acres for limited recipients. Land that is presently not under reclamation law that is receiving temporary irrigation will not be subject to the ownership limitation of Federal reclamation law. However, those subject to the limitations will not be exempt from the law on this temporary basis. Water will also be made available to protect fish and wildlife resources.

#### **Section 414. Emergency Loan Program**

The Secretary of the Interior may make loans to water users to undertake management, conservation activities, or to acquire and transport water consistent with State law. The Secretary will set the terms for these loans.

#### **Section 415. Interagency Coordination**

The drought program is to be coordinated with emergency and disaster relief operations conducted by other Federal and State agencies under other provisions of this law.

#### **Section 416. Report**

By March 31, 1989, the Secretary of the Interior is to submit a report and recommendations to the President and Congress on the expenditures and accomplishments of the drought program, the legislative and administrative recommendations for responding to droughts and drought-related problems in the

reclamation States, and the structural and nonstructural measures to mitigate the effects of droughts.

#### **Section 417. Carryover Storage and Water, New Melones Unit, Central Valley Project, California**

The Flood Control Act of 1962 is amended to authorize the Secretary of the Interior to make unallocated storage carried over from the previous year from the New Melones unit of the Central Valley project in California available to the Oakland and San Joaquin irrigation districts, at the current contract rate, during the drought.

#### **Section 418. Initiation and Deadline of Emergency Drought Program**

The water assistance programs and authorities will only become operative in a Reclamation State (a State receiving water from the Bureau of Reclamation for irrigation development projects) after the Governor of the State has declared a drought emergency, and the affected area is declared eligible for Federal disaster relief. These programs and authorities end December 31, 1989, unless otherwise stated.

### **Part 2--Water Project**

#### **Section 421. Central Valley Project Water Releases**

The Secretary of the Interior is authorized to install a temperature control curtain as a demonstration project at Shasta Dam, Central Valley project, California, at a cost of no more than \$5.5 million. The purpose of the project is to determine the effectiveness of the temperature control curtain to protect and enhance breeding fisheries.

### **Part 3--Authorization and Savings Clause**

#### **Section 431. Authorization of Appropriations**

Appropriations are authorized for water assistance and temporary water availability programs (Sections 412 and 413). However, the amount of the appropriations cannot exceed \$25 million. Appropriations are authorized as necessary to carry out the remaining provisions on the reclamation drought assistance.

#### **Section 432. Savings Clause**

Nothing in the Emergency Drought Authority is meant to limit or restrict the power and authority of the United States; or affect in any way any law governing appropriation or use of, or Federal right to, water on public lands; or expand or diminish Federal or State jurisdiction, responsibility, interest, or rights in water resources development or control; or displace, supersede, limit, or modify any interstate compact or jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two States and the Federal Government; or supersede, modify, or repeal, except as



specified, existing law applicable to the various Federal agencies; or modify the terms of any interstate compact.

**TITLE V--MIGRANT OR SEASONAL FARMWORKER ASSISTANCE**



**Section 501. Emergency Assistance Payments to Migrant Farmworker Households and**

**Section 502. Prorating Benefits of Migrant or Seasonal Farmworker Households**

The Food Stamp Act of 1977 is amended to provide that emergency assistance will not reduce food stamp benefits to migrant or seasonal farmworker households, while they are in the job stream. Also, migrant and seasonal households who apply and are eligible for food stamp benefits will receive a 30-day grace period for food stamp recertification without loss of benefits.

**Section 503. Assistance to Low-Income Agricultural Workers**

Up to \$5 million from the disaster relief program administered by the Federal Emergency Management Agency will be transferred to agencies authorized to administer migrant and seasonal farmworker programs under the Job Training Partnership Act (JTPA). The funds will be used to fund necessary services (including all types of services determined to be necessary by the Secretary of Labor) to assist low-income agricultural workers who have been adversely affected by the drought. The Secretary of Labor is directed to distribute these funds within 30 days of enactment of this act, based on an assessment of the number of migrant and seasonal farmworkers in each agency's delivery area who have lost income or are unable to work due to the drought. To be eligible for assistance, a low-income agricultural worker would have to meet the income eligibility requirements set forth in JTPA.

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